

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

|                             |   |
|-----------------------------|---|
| -----X                      |   |
| CITY OF MIDDLETOWN, et al., | : |
|                             | : |
| Plaintiffs,                 | : |
|                             | : |
| -against-                   | : |
|                             | : |
| PENCOR MASADA OXYNOL, LLC,  | : |
|                             | : |
| Defendant.                  | : |
| -----X                      |   |

Civil No. 07-6572 (CLB)

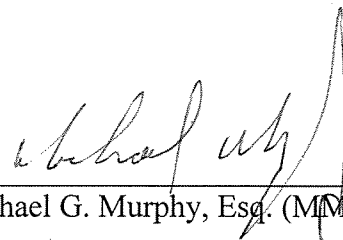
**DECLARATION OF MICHAEL G. MURPHY IN SUPPORT OF PLAINTIFFS'  
MOTION TO REMAND TO STATE COURT AND TO STRIKE THE DECLARATION  
OF NICHOLAS A. PASCALE, ESQ., IN OPPOSITION TO PETITION**

I, Michael M. Murphy, hereby depose and state:

1. I am a member of the Bar of this Court and of the firm of Beveridge & Diamond, P.C., attorneys for Plaintiffs, the City of Middletown (the "City") and the individually named City officials (collectively with the City, the "Plaintiffs"). I am familiar with the matters stated herein and make this declaration in support of Plaintiffs' motion to remand the above-captioned action to state court and to strike the declaration of Nicholas A. Pascale, Esq.
2. Annexed hereto as Exhibit 1 is a true and correct copy of the Verified Petition to Stay Arbitration Pursuant to Article 75 of the New York Civil Practice Laws and Rules, dated July 6, 2007, captioned *The City of Middletown, et al. v. Pencor-Masada OxyNol, LLC*, Index No. 2007-6035 (New York Supreme Court, Orange County), and all of the exhibits attached thereto.
3. Annexed hereto as Exhibit 2 is a true and correct copy of the Order to Show cause dated July 9, 2007 and signed by the Honorable Joseph G. Owen, Justice of the New York Supreme Court, Orange County, which temporarily stays the arbitration proceeding captioned *Pencor-Masada OxyNol, LLC v. City of Middletown, New York, et al.*, case no. 13 192 Y 01324 07.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: New York, New York  
August 10, 2007



Michael G. Murphy, Esq. (MM 5472)